

Message Text

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PAGE 01 DACCA 00249 150424Z
ACTION OPIC-06

INFO OCT-01 NEA-10 ISO-00 EB-07 COME-00 CIAE-00 INR-07
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R 141002Z JAN 77
FM AMEMBASSY DACCA
TO SECSTATE WASHDC 3242

UNCLAS DACCA 0249

E.O. 11652: N/A
TAGS : EINV, BG
SUBJECT : EVALUATION OF TECHNOLOGY TRANSFERS AND
 CONTRIBUTIONS IN KIND

REF: STATE A-5760

1. TECHNOLOGY TRANSFER: TECHNOLOGY TRANSFER AND TECHNICAL ASSISTANCE ARE CONSIDERED AS SERVICES AND ARE NOT ACCEPTED AS CONTRIBUTION FOR EQUITY IN BANGLADESH. COSTS OF SUCH SERVICES ARE USUALLY DETERMINED BY THE FOREIGN COLLABORATOR AND THE LOCAL INVESTOR THRU NEGOTIATIONS. BDG EXAMINES THE REASONABLENESS OF SUCH COSTS ON THE BASIS OF THE NATURE OF THE SERVICES AND MARKET RATES THAT IS THE RATES THAT ARE CHARGED OR MIGHT BE CHARGED BY LOCAL CONSULTANTS AND/OR OTHER FOREIGN FIRMS FOR SIMILAR SERVICES. THERE ARE VIRTUALLY NO FIXED RATES. BDG CLAIMS TO EMPLOY EXPERTS TO DO THE JOB AND EVALUATE THE PROPOSALS CAREFULLY BEFORE GIVING THE FIRM PERMISSION TO PROCEED." COSTS FOR TECHNOLOGY TRANSFER OR TECHNICAL ASSISTANCE ARE PAID AS FEES BY THE LOCAL INVESTOR TO ITS FOREIGN COLLABORATOR. THE FEE FOR TECHNOLOGY TRANSFER IS USUALLY ALLOWED BY THE GOVERNMENT UPTO A MAXIMUM OF ONE AND ONE HALF PERCENT ON EX-FACTORY PRICES OF PRODUCTS MINUS TAXES. IT MAY BE PAID EITHER IN PERCENTAGE OR IN LUMP-SUM OR IN BOTH. FEE FOR THE PORTION RELATED TO PRODUCTION IS USUALLY ALLOWED UPTO

UNCLASSIFIED

UNCLASSIFIED

PAGE 02 DACCA 00249 150424Z

ONE AND ONE HALF PERCENT ON EX-FACTORY PRICES 1 OF PRODUCTS MINUS TAXES FOR A PERIOD OF FIVE YEARS RENEWABLE WITH PRIOR PERMISSION OF BDG FOR SUCH PERIOD AS MAY BE NECESSARY. THE FEE FOR TECHNICAL ASSISTANCE MAY BE PAID IN LUMP-SUM OR MAY BE RELATED TO PRODUCTION/SALES OR MAY BE BOTH. FEE FOR THE PORTION RELATED TO PRODUCTION IS NOT USUALLY ALLOWED BY THE GOVERNMENT TO EXCEED ONE PERCENT ON EX-FACTORY

PRICES OF PRODUCTS MINUS TAXES FOR A PERIOD OF FIVE YEARS. THIS PERIOD IS RENEWABLE WITH GOVERNMENT PERMISSION FOR A FURTHER PERIOD AS MAHGBE CONSIDERED NECESSARY.

2. CONTRIBUTIONS IN KIND: BDG ALLOWS ACCEPTANCE OF FOREIGN INVESTOR'S CONTRIBUTIONS IN CASH OR NEW MACHINERY, EQUIPMENT, ACCESORIES ETC. (USED MACHINERY IS NOT ACCEPTABLE) FOR EQUITY. BDG EVALUATES THE COST OF SUCH CONTRIBUTIONS ON THE BASIS OF COST, INSURANCE AND FREIGHT EX-BANGLADESH PORT (THAT IS THE ACTUAL COST PAID BY THE FOREIGN INVESTOR UPTO BANGLADESH PORT).

3. WHILE INDEPENDENT INDUSTRY EVALUATION DATA ARE NOT CURRENTLY AVAILABLE THE GOVERNMENT CRITERIA AND PRACTICE OF EVALUATION REPORTEDLY MADE IN CONSULTATION WITH BUSINESSMEN CONCERNED ARE BELIEVED TO BE FAIRLY RELIABLE. A COPY OF THE RATES OF ROYALTY AND OTHER FEES PAYABLE TO FOREIGN COLLABORATORS IS BEING AIRPOUCHED. OTHER PUBLICATIONS CONCERNING FOREIGN INVESTMENT WILL BE AIRPOUCHED AS SOON AS AVAILABLE.

MASTERS

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
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Control Number: n/a
Copy: SINGLE
Sent Date: 14-Jan-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01-Jan-1960 12:00:00 am
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Expiration:
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Format: TEL
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Handling Restrictions: n/a
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ISecure: 1
Legacy Key: link1977/newtext/t19770152/aaaabtui.tel
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Litigation Codes:
Litigation History:
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Message ID: edf604da-c288-dd11-92da-001cc4696bcc
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Original Classification: UNCLASSIFIED
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Original Previous Classification: n/a
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